



NGO Accountability: Rights and Responsibilities

Julian Lee
Programme on NGOs and Civil Society
CASIN
Geneva, Switzerland
October 19, 2004

Julian Lee, Research and Training Associate at CASIN, prepared this report for the Programme on NGOs and Civil Society of the Centre for Applied Studies in International Negotiation.

The Programme on NGOs and Civil Society

Worldwide, the role of civil society has been increasing at rapid speed. Non-governmental organizations (NGOs) have become significant and influential players and generate much interest. Created in 1986, the Programme on Non-Governmental Organizations and Civil Society aims at contributing towards a better understanding of NGOs and the solutions of complex and conflictive societal problems involving NGOs.

Centre for Applied Studies in International Negotiations (CASIN)

Avenue de la Paix 7 bis,
P.O. Box 1340
1211 Geneva 1, Switzerland,
Tel. ++ 41 / 22 730 86 60; Fax. ++ 41/ 22 730 86 90
Email: ngocasin@casin.ch
Website: www.casin.ch

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1. What is at Issue? An Introduction.

Accountability has been one of the fashionable words of the globalization debate for some time now. Initially it was civil society that pushed accountability onto private business and government. The concept has only been applied to Non-Governmental Organizations (NGOs) themselves comparatively recently. In its simplest definition, the term refers to “the obligation to report on one’s activities to a set of legitimate authorities.” (Jordan forthcoming: 1) Yet even this short definition throws up a variety of questions: Why is reporting necessary in the first place? Who are legitimate authorities? What activities have to be reported on? How? The concept is thus not as straightforward as it might at first seem, and has thus spawned an at times confrontational debate. This paper intends to offer an introduction to the topic as follows: It will first examine how accountability emerged as an issue for NGOs on a larger scale. It will then proceed to describe common practice in accountability, including the transition accountability has recently undergone. Last, it will draw some conclusions about the major accountability issues still being debated.

2. Why is NGO Accountability an Issue?

2.1 Why Did NGO Accountability Emerge as an Issue?

NGOs long claimed that their commitment, values and good intentions were a sufficient basis for accountability (Crawford 2004, Zadek 2003a). Nonetheless—or as a result of this—NGO accountability became a hotly disputed topic over the course of the 1990s. Several reasons are usually put forth for this emergence into the mainstream.

1. The **rapid growth** of the NGO—or “third”—sector: By some estimates, there are now ca. 40,000 internationally operating NGOs (Kovach et al. 2003: iv). The US alone may have roughly 2 million NGOs, while India accounts for about 1 million (Zadek 2003b: 34). Even the emerging NGO scene in China counts between 1.4 and 2 million non-registered NGOs (Edele forthcoming). In North America and Western Europe, the non-profit sector is a major economic entity, which employs as much as 12% of the labor force. In such a large sector, it becomes hard to monitor who is legitimate and who is not. The emergence of “Suitcase NGOs”—NGOs made up of one person traveling from event to event (Jordan forthcoming: 1)—and of imitation NGOs who use the NGO model for other interests NGOs (what Cohen (2004: 99) refers to as “Astroturf NGOs”), has spawned demands for greater transparency among governments, funders and the public.
2. The **increased amount of funds** NGOs attract: NGOs’ increased income is in part due to the largely negative view of government that emerged in the 1980. As a result, more and more services have been contracted out to NGOs. The global non-profit sector is estimated to be worth over \$1 trillion globally (SustainAbility 2003: 1; Crawford 2004). NGOs may account for as much as 15% of GDP in North America and Western Europe (Zadek 2003b: 34). This growth means that NGOs are becoming more visible and that the stakes involved in their work are becoming higher. In part as a result of this

growth, regulators in some countries (notably in the United States)¹ are seeking ways to pass new legislation and tighten up regulations (Shiras 2003). At the same time as governments often promoted NGO growth, however, NGOs increasingly also felt the need to diversify their private support (Bonbright 2004: 7) when reduced government expenditures led to the drying up of funding. Private donors started raising more questions about NGOs' actions and legitimacy.

3. The **stronger voice** and **increased power** NGOs have in shaping policy: NGOs have achieved critical mass, which means that they are influential, effective actors on the political scene. Many people feel that such power needs to be accompanied by accountability.
4. A fourth argument is that NGOs address the accountability matter when their **political space** is threatened (Jordan forthcoming: 5). Although this analysis discounts the possibility that NGOs may address the problem of accountability out of their own volition, it does recognize that important events in the NGO community may set off substantial reform. One such example was the aftermath of the 1994 genocide in Rwanda, which triggered an unprecedented rush of NGOs into the refugee camps of the former Zaire and Tanzania. The ensuing chaos and jostling for position, combined with a failure to disarm radical refugee groups and prevent a cholera outbreak that killed some 50,000 refugees, led a coalition of NGOs to initiate their own Code of Conduct, humanitarian charter and ombudsman under the umbrella of the Humanitarian Accountability Project (HAP).²
5. A "**crisis of legitimacy**" (Brown 2003) has recently plagued several sectors, in particular business and government (Enron and WorldCom are prominent examples). Those scandals have made accountability a hot topic in general, and this has spilled over to the NGO world. Several scandals surrounding charities in the U.S. have also heated the up debate (Light 2004).
6. NGOs have been continuously challenging companies, governments and multilateral organizations to become more transparent and accountable. This movement gained speed in the second half of the 1990s, but it has also elicited a "**backlash**" of counterattacks on the NGOs themselves (Brown 2003).
7. The 1990s saw the "**third wave of democratization**" moving around the world, starting with the fall of the Berlin Wall. Democratization became perceived to be a cure-all. As democracy implies accountability, and because NGO activity automatically challenges governmental authority, the "third wave of democratization" started affecting NGOs as well.
8. More recently, and in part as a response to the increasing trendiness of NGO accountability, several organizations have published **reports** which showed that some NGOs are still lacking in their accountability. One World Trust³ (Kovach et al. 2003) found that some NGOs—including the World Wide Fund for Nature (WWF), CARE International or Oxfam—ranked lower on the organization's accountability scale than oft-criticized bodies such as the WTO and the OECD, or companies such as Rio Tinto or GlaxoSmithKline. A report

¹ The U.S. Senate is investigating the world's largest environmental organization, the Nature Conservancy, and the House of Representatives is examining how foundations spend their administrative budgets (Light 2004).

² The initiators were: British Red Cross Society, CAFOD, CARE International, Caritas Internationalis, Danida, Danish Refugee Council, International Federation of Red Cross and Red Crescent Societies, International Rescue Committee, Medair, Norwegian Refugee Council, OFADEC, Oxfam GB, SLANGO, Women's Commission for Refugee Women and Children, and World Vision International. For more information see: <http://www.hapinternational.org/en/>

³ One World Trust is a public charity set up by the British parliament in London, UK.

by the UK Charity Commission also found charities lacking, in particular those relying mainly on government funding. Those dealing in culture, sport, recreation, health and housing were generally particularly underperforming, whereas international aid charities tended to do best, followed by those in social services and relief (Charity Commission for England and Wales 2004).

2.2 Who Has Championed the Ascendancy of NGO Accountability?

The drive for increased NGO accountability has come from several camps: With more and more state funds being disbursed to NGOs, **governments** have demanded higher levels of accountability. The mainstream **media** has published quite widely on the subject.⁴ The **general public**, often an important donor and stakeholder in civil society organizations, has contributed its share. In addition, **conservative organizations** such as the American Enterprise Institute (AEI), the Federalist Society for Law and Public Policy Studies⁵, and the Institute of Economic Affairs⁶, have done their bit to push the matter.

However, a significant impetus has also come from within the **NGO community**, such as the HAP mentioned above. ActionAid has adopted accountability measures following a rights-based approach. World Vision International has ten “ministry standards” for the 65 organizations that comprise its network. Oxfam International has developed common program standards for its 11 chapters, and Caritas International has embarked on a similar path (Slim 2004). The World Wide Fund for Nature (WWF) and the Nature Conservancy have been developing accounting standards that will enable them to audit the efficacy of environmental projects (Christensen 2002: D2). InterAction, an association of U.S. NGOs working in the international humanitarian field, demands of its members to comply with standards in governance, finance, communication and management practices. InterAction also promotes such standards elsewhere (InterAction 2004).

Third-party actors have also played a prominent role in the emergence of NGO accountability: Michael Edwards, Director of the Governance and Civil Society Programme at the Ford Foundation, has published on the topic since 1992, in cooperation with David Hulme.⁷ Another early advocate for NGO accountability was David Sogge (1996). More recent influential contributions to the debate include SustainAbility's⁸ *The 21st Century NGO* (2003) and One World Trust's *Global Accountability Report* (2003).

3. What Does NGO Accountability Mean in Practice?

3.1 What Does NGO Accountability Traditionally Entail?

Traditional conceptions have a relatively narrow view of accountability, which provides only those who wield formal authority over the organization with the right to

⁴ Between April and August 2003, major US newspapers such as *The New York Times*, *Washington Post* and *Wall Street Journal* published more than 30 articles on the topic, many of them negative. (Shiras 2003: 27) Other outlets that carried significant articles on the issue include *The Economist*, *The Financial Times*, and the *BBC*.

⁵ The two organizations started their controversial “NGOWatch” project in 2003 <http://www.ngowatch.org/>

⁶ See: Adair 2000

⁷ e.g. Edwards, M. and Hulme, D. (1992).; Edwards (2000)

⁸ SustainAbility is a strategic management consultancy based in London, UK.

hold them to account (Kovach et al. 2003: 3). In the case of most NGOs, these are the organization's funders and its board of directors. The arguments that were conventionally put forth in favor of NGO accountability have been the need to maintain public trust, the intrinsic value of accountability, and the need to create checks and balances on growing NGO power (the argument the AEI and governments have employed, for example) (Jordan forthcoming: 4). Traditional measures of accountability were mostly limited to numbers, such as the ratio between administration and programs expenditures (Slim 2004). Conventional means of conveying the information required took place either within the NGO (i.e. to its board) or by means of an annual report.

3.2 What Is the “New” NGO Accountability?

Three key questions make up the commonly accepted core accountability framework that is at the heart of the “new” NGO accountability: A) What is the NGO accountable for? B) To whom is the NGO accountable? C) How is the NGO accountable? There is no one right answer to any of these questions, as the great number of types of organization and fields of activity mean that individual answers will need to be found for different organizations. Generalization across categories is not possible.

A. What is the NGO accountable for?

Determining what an organization is accountable for is the first step in conceptualizing an NGO's accountability. Usually these are **actions**, **results** or **intentions**, all of which need to be defined. Actions and results are usually closely tied to how an organization goes about its programming, and to the effects the programming has. Actions, however, may also refer to internal processes, such as the appointment of staff. Identifying an NGO's intentions is particularly important to accountability as one benchmark, and requires a clear policy on the part of the organization, usually in the form of a mission statement. In sum, an NGO can be held accountable for the impact it has. Various measures contribute to this impact, such as, for example, the degree of stakeholder consultation, its complaints mechanisms, or its member control. Each of these measures may be assessed in an effort to determine an organization's accountability.⁹

B. To whom is the NGO accountable?

The traditional approach was deemed outdated particularly because it was not inclusive of a key interest group: the beneficiaries of an NGO's activities. The concept of accountability was therefore expanded to the more open and participatory *stakeholder approach*. This approach transfers the right to accountability from exclusively those who wield formal authority over an organization to all those affected by the organization's activities (Freeman, 1984). It recognizes that the effects of an organization's actions “[are] diffuse and therefore responsibility should be too.” (Kovach et al. 2003: 3)

The stakeholder approach identifies at least four possible categories of stakeholders for NGOs:

- Those who shape an NGO's operating environment (governments, donors),

⁹ For one example of a framework that defines the elements an NGO is accountable for—and along the lines of which it may be assessed—please refer to Annex 1.

- those internal to the organization (staff, boards, supporters, subsidiaries, local partners¹⁰),
- civil society at large (social movements, the general public, other NGOs), and
- those that NGOs often try to affect (beneficiaries, private sector, global institutions, governments etc.) (Ebrahim 2003; Kovach et al. 2003: 3; SustainAbility and The Global Compact 2003).

The great variety of stakeholder groups poses an obvious dilemma for NGOs: how to prioritize their responsibilities *vis-à-vis* their different stakeholders. The main debate on this issue centers on the dichotomy between whether an NGO should be accountable primarily to its beneficiaries or to its donors.

C. How is the NGO accountable?

Accountability is a process. A crucial part of identifying the right kind of accountability is recognizing the operating context of an organization. At its best, modern NGO accountability embraces failures for future learning, and celebrates success (Slim 2004). Importantly, it “involves the provision of clear, timely information about what the organization has been doing and what it plans to do, and crucially, it requires real engagement with the organization’s stakeholders.” (CIPFA 2004) In addition to annual reports with audited financial statements, modern accountability may include the publication of evaluation results. For a detailed list of accountability mechanisms please refer to section 3.4.

3.3 Benefits of Accountability

A number of arguments are frequently put forth in favor of improved NGO accountability:

- Accountability has the potential to increase the trust and commitment of stakeholders (SustainAbility and The Global Compact 2003: 3) because it can prove an organization’s effectiveness and demonstrate whom the organization represents. It thereby increases the NGO’s legitimacy.
- Accountability can increase organizational performance and learning (Brown et al. 2003).
- Accountability may help counter criticisms that NGOs are “secretive, undemocratic in their decision-making and have less than rigorous standards of governance”(Adair 2000: 11).
- McKinsey & Co has made a financial argument, claiming that the U.S. nonprofit sector alone could leverage an additional \$100 billion if it changed its notions of stewardship and its operating practices (SustainAbility 2003: 1). This effect is also closely linked to the three abovementioned benefits.

3.4 What Kinds of Accountability Mechanisms Are in Use?

A variety of different measures has been developed for use in NGO accountability implementation and verification. These include certification systems, rating systems,

¹⁰ One oft-forgotten accountability relationship is between international (or “Northern”) and local (or “Southern”) organizations who partner up to implement projects. The recent accountability wave meant that Northern NGOs are increasingly demanding more accountability of their Southern partners (Boonyarak 2002).

infrastructure and management capacity tools, self-regulation, codes of conduct, and monitoring and evaluation (M&E).¹¹

A. Certification Systems

Certification systems assess NGOs according to a set of criteria and accredit them. One example is the Spanish Fundacion Lealtad, which devised principles against which organizations are willing to be audited¹². This approach encountered some initial resistance from NGOs, however most found it useful.

The Philippine Council for NGO Certification provides the world's first instance in which a government delegated the authority to certify NGOs to an NGO. The problem, however, is that in its first five years of operations, the organization registered only NGOs out of an estimated total of 70,000 in the country (Hartnell 2003: 39)¹³.

Other examples include that of the Société Générale de la Surveillance¹⁴, and Swiss GAAP PRC 21 (Generally Accepted Accounting Principles), which organizations like the International Committee of the Red Cross and the World Wide Fund for Nature have accepted.

B. Rating Systems

Rating systems for NGOs operate much along the lines of business-focused agencies such as Standard & Poor's or Moody's. Examples include Foreign Aid Ratings, which focuses mostly on grassroots organizations¹⁵, the American Institute of Philanthropy¹⁶ and Charity Navigator¹⁷. *Worth Magazine* provides an annual ranking of U.S. charities based on measures such as return on investment and effectiveness (UNDP et al. 2003: 83)

C. Codes of Conduct

This form of self-regulation entails "public statements of principles or standards of performance to which a number of agencies voluntarily sign up and against which each agency states it is willing to be judged" (Leader 1999: 1). Codes of conduct got a widely promoted start with the rise in humanitarian agencies working in conflict areas since the late 1980s and the preparations for the Rio Earth Summit in 1992. They were developed as a measure to help ensure that aid was not fuelling conflict (Leader 1999: 2). Codes of conduct are often self-regulatory, although they can be audited externally.

¹¹ For a discussion of the pros and cons of most of these mechanisms, please refer to Ebrahim 2003. A table summarizing the characteristics of mechanisms identified in the article can be found in Annex 2.

¹² These principles are: a regulatory board, with a minimum of five members, which meets at least twice a year and oversees the budget and annual accounts; well-defined objectives; control and evaluation systems for projects; advertising and fundraising that reflects the true aims of the organization; diversified funding; keeping records on how funds are spent, and making these public; minimizing spending on fundraising and management; publishing annual accounts that have been inspected by external auditors. See Crawford 2004.

¹³ For more detail, please refer to <http://www.icnl.org/PRESS/20040109.htm> or www.pcnc.com.ph

¹⁴ http://www.sgs.com/benchmarking_of_non_governmental_organisations?serviceId=6967&lobId=5549

¹⁵ <http://www.foreignaid.com/NGOCertification/>

¹⁶ <http://www.charitywatch.org/>

¹⁷ <http://www.charitynavigator.org/>

Examples of codes of conducts include the codes of the Australian Council for Overseas Aid (ACFOA 2000)¹⁸, of the Canadian Council for International Cooperation (CCIC 2004, in use since 1995), or the Credibility Alliance in India (Pinto 2003).

D. Monitoring and Evaluation (M&E)

M&E has been introduced primarily in donor-funded operations, in particular in foreign aid. It ideally involves the determination of a number of relevant measures and targets that enable observers to assess whether the organization has met its program or project objectives; benchmark collection; regular internal and periodic external assessment of its target vs. actual measures; and periodic or final reports on how the organization has performed (ideally, yet rarely, these reports will be made available to stakeholders and the public). M&E is one of the most widely used and accepted methods to help ensure NGOs act responsibly. If an organization uses M&E to learn from the past, then this technique can be a powerful tool to ensure that “learning by monitoring” is a type of accountability in and of itself (Christensen 2004).

E. Disclosure of Statements and Reports

The disclosure of statements and reports was already part of the traditional approach to accountability and retains its validity under the new approach. Often, state authorities require it (Ebrahim 2003: 816).

F. Participation

NGOs can implement this process-based approach to accountability to several degrees, from the dissemination of information, public involvement in projects, beneficiaries being given bargaining or veto power, all the way to beneficiaries carrying out their own projects and activities (Ebrahim 2003: 818).

G. Social Auditing

Social Auditing is a process that integrates many of the abovementioned mechanisms, in particular disclosure statements, evaluations, participation and codes of conduct. Although it is an innovative approach, it has not found wide use among NGOs (Ebrahim 2003: 822). Corporations such as the ice cream maker Ben & Jerry’s or Shell International have developed numerous widely differing models.

3.5 Which Problems Exist with Accountability as It Is Currently Practiced?

As Lisa Jordan (forthcoming: 1) states many of the abovementioned tools do not “reflect the value base of NGO activities and can often seem to NGOs to be quite divorced from the mission of the organization.” She points out several important shortcomings that prevent any of the above factors from being as effective as they could be (Jordan forthcoming: 2-3):

¹⁸ The ACFOA code aims to ensure that “public confidence in the integrity of individuals and organisations comprising the NGDO community and in the quality and effectiveness of NGDO programs is well founded.” (p. 4)

- They often fail to address an NGO's moral obligations.
- They prioritize certain relationships over others, usually in favor of the donor or the certification body, rather than in favor of the beneficiaries. Large, official donors—rather than individual supporters—often dominate the debate over whether “upward accountability” (to donors) or “downward accountability” (to beneficiaries) should be a priority (Ontrac 2001). Johnson refers to this as the “accountability gap” (Johnson 2001).
- They are often quite disciplinary and controlling.
- They often ignore the context in which NGOs operate, for example by setting unrealistic or immeasurable goals.

Another quandary NGOs face is the divide between their advertising images and the activities they actually pursue (Ontrac 2001). The need to raise funds often leads to a distortion of an NGO's actions because, just as businesses, NGOs rely on “what sells” in order to stay in business. The images the ads portray “replace serious discussions of the constraints and issues facing the NGO.” In addition, annual reports as a main means of communication with many stakeholders often do not reflect what an NGO does in practice (Ontrac 2001).

The cost and time an NGO dedicates to ensuring its accountability is a further issue of contention. The debate is one over product vs. process: NGOs often argue that they are overburdened with accountability requests (in particular in the form of M&E and reports), while those who usually issue those requests—the donors—insist that accountability needs to be served. Accountability measures may also decrease tactical options for an organization (SustainAbility and The Global Compact 2003). There is a tendency for NGOs to concentrate on their legal accountability obligations towards donors, and “only” moral obligations towards beneficiaries for several reasons: 1) the increased resources an NGO must expend in order to be accountable; 2) the increasing bureaucratization of upward accountability; 3) beneficiaries seldom have the ability to force accountability onto an NGO, since they don't have the legal or economic standing that would allow them to do so, nor do they pay for the services they receive (Hailu Senbeta 2003: p. 50). The increased levels of bureaucracy involved in accountability often mean that the organization loses some internal control, and results in a distancing from its members and beneficiaries. Marina Ottaway and Thomas Carothers have observed in their study that larger NGOs—who tend to be better able to adapt to democratic exigencies—tend to be less accountable towards beneficiaries and more towards their donors (cited in Hailu Senbeta 2003: p. 51). In a speech at Oxford University, John Elkington, the Chairman of SustainAbility, pointed out that small organizations are less likely to be held to account than large ones. The danger is that large accountable ones may be held responsible or be confused with some of the “outliers” (Jepson 2004).

Kovach et al. are hence also quick to point out the limitations of increased stakeholder accountability (2003: 4). Far from being a panacea, the requirements of accountability can evoke tensions in an organization because not all stakeholders can be satisfied. The danger of over-bureaucratization is that it slows down decision-making to a level where the benefit of involving more people in decision-making are lost.

4. Conclusion: Where Is the Debate Going?

The debate about NGO accountability has been ongoing in the mainstream for more than a decade now, and it is likely to continue. The diversity of NGOs, fields of operation, and stakeholders mean that there can be no one, single standard by which NGOs can be judged. Several questions still require addressing, and the debate on how to best answer them is still continuing. One of the foremost questions is that of stakeholder prioritization, and the potential “accountability gap”. Another contentious topic is how much time an organization should devote to addressing accountability in its day-to-day operations (the question of product vs. process). There also needs to be a balance between short-term uses of accountability (such as accounting for funds and measuring their immediate impact) and its strategic uses that address long-term impacts. Furthermore, the provenance of accountability mechanisms needs to be addressed: a balance between internally driven and externally imposed accountability mechanisms needs to be found (Ebrahim 2003: 825).

Any of these matters can be addressed only if the necessary debate is carried out on the base of merit, and not on political grounds. The debate also needs to include all of its stakeholders. It seems as though there will always be “some trade-offs between freedom and flexibility on the one hand, and accountability and responsibility on the other hand” (Marschall 2002). The challenge is to maximize the benefits of accountability to all interested parties.

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Annex 1: The Global Accountability Project's Accountability Framework

Internal Stakeholder Accountability	External Stakeholder Accountability
Dimension 1: Member Control Reflected by how an organization is governed and the degree of control members have over its actions	Dimension 5: External Stakeholder Consultation Reflected by how an organization involves external stakeholders in its decision-making processes
Dimension 2: Appointment of Senior Staff Reflected by the procedures for recruiting and retaining senior staff within an organization	Dimension 6: Complaints Mechanisms Reflected by how an organization enables those most affected by its decisions to register their complaints about its action and the follow-up mechanisms in place to ensure that these complaints are acted upon.
Dimension 3: Compliance Mechanisms Applies only to IGOs and is reflected by the power an organization has to enforce its decisions on member states	Dimension 7: Corporate Social Responsibility Reflected by how an organization manages, evaluates and reports on its social and environmental impact
Dimension 4: Evaluation Processes Reflected by what aspects of an organization's work are evaluated, how this is done and reported to the public	Dimension 8: Access to Information Reflected by the degree of information provided by it to the public

Source: Kovach et al. (2003: 3)

“Internal stakeholders include an organization's staff, its shareholders, its member countries, national organizations and [...] supporters. *External stakeholders* are individuals or groups who are affected by an organization's decisions and activities but who are not formally part of the organization.”

Annex 2: Characteristics of Selected Accountability Mechanisms

Accountability Mechanism (tool or process)	Accountability to whom? (upward, downward, or to self)	Inducement (internal or external)	Organizational response (functional or strategic)
Disclosures/ reports (tool)	<input type="checkbox"/> Upward to funders and oversight agencies <input type="checkbox"/> Downward (to a lesser degree) to clients or members who read the reports	<input type="checkbox"/> --Legal requirement <input type="checkbox"/> --Tax status <input type="checkbox"/> --Funding requirement (external threat of loss of funding or tax status)	<input type="checkbox"/> --Primarily functional, with a focus on short-term results
Performance assessment and evaluation (tool)	<input type="checkbox"/> Upward to funders <input type="checkbox"/> Significant potential for downward from NGOs to communities and from funders to NGOs	<input type="checkbox"/> Funding requirement (external) <input type="checkbox"/> Potential to become a learning tool (internal)	<input type="checkbox"/> Primarily functional at present, with possibilities for longer-term strategic assessments
Participation (process)	<input type="checkbox"/> Downward from NGOs to clients and communities <input type="checkbox"/> Internally to NGOs themselves <input type="checkbox"/> Significant potential for downward from funders to NGOs.	<input type="checkbox"/> Organizational values (internal) <input type="checkbox"/> Funding requirement (external)	<input type="checkbox"/> Primarily functional if participation is limited to consultation and implementation <input type="checkbox"/> Strategic if it involves increasing bargaining power of clients vis-à-vis NGOs, and NGOs vis-à-vis funders
Self-regulation (process)	<input type="checkbox"/> To NGOs themselves, as a sector <input type="checkbox"/> Potentially to clients and donors	<input type="checkbox"/> Erosion of public confidence due to scandals and exaggeration of accomplishments (external loss of funds; internal loss of reputation)	<input type="checkbox"/> Strategic in that it concerns long-term change involving codes of conduct
Social auditing (tool and process)	<input type="checkbox"/> To NGOs themselves (by linking values to strategy and performance) <input type="checkbox"/> Downward and upward to stakeholders	<input type="checkbox"/> Erosion of public confidence (external) <input type="checkbox"/> Valuation of social, environmental, and ethical performance on par with economic	<input type="checkbox"/> Functional to the extent it affects the behavior of a single organization <input type="checkbox"/> Strategic to the extent it affects NGO-stakeholder interaction,

		performance (internal)	promotes longer-term planning, and becomes adopted sector-wide
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Source: Ebrahim (2003: 825, Table 1)